

Economic Systems Worksheet

Directions: The chart below shows how some basic economic questions are answered by three different economic systems. Study the chart and answer the question below.

Economic Systems

Type of Economy	Who makes decisions about:		
	Production?	Prices?	Ownership?
Traditional Economy	The community produces its own goods based on its traditional needs.	Prices may not apply; communities are responsible for meeting their own needs and may have little or no need for outside exchange.	The community may or may not recognize private ownership of land and natural resources; generally, goods are owned by the community.
Market Economy	Production is based on market demands among consumers.	Prices are determined by the supply and demand in the market.	People are free to buy or sell land, resources, and there are many forms of personal property. Consumers have a large selection of goods and services to choose from.
Planned or Command Economy	Production is carried out according to plans set out by the government.	Prices and products supplies are determined by the government planners.	All land and capital production resources are owned by the government. Consumers have a small selection of goods and services to choose from when they purchase.
Mixed Economy	Essential services; consumer goods; attempt to produce what people want and society believes to be essential.	Prices are mostly determined by the consumer but essential services are set by the government.	A combination of private and public ownership. Government is in charge of public lands (lease land, parks, resources etc)

1. Which of the three economic systems most closely describes the economy used in Canada?
2. Can you think of any societies today or in history whose economies match the description of a traditional economy or a command economy?